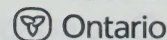




# ONTARIO FINANCES

2001-02 THIRD QUARTER

QUARTERLY UPDATE - DECEMBER 31, 2001



Ministry of Finance

CA2DN  
TR  
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## Fiscal Summary (\$ Millions)

	Actual 2000-01	2001-02		
		Budget Plan	Current Outlook	In-Year Change
<b>Revenue</b>	64,682	64,270	63,864	(406)
<b>Expenditure</b>				
Programs	50,075	52,011	52,283	272
Restructuring and Other Charges	31	--	--	--
Total Program Expenditure	50,106	52,011	52,283	272
Capital	2,079	1,944	1,881	(63)
Public Debt Interest				
Provincial	8,896	8,795	8,730	(65)
Electricity Sector	520	520	520	--
Total Expenditure	61,601	63,270	63,414	144
Less: Reserve	--	1,000	450	(550)
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers*	244	140	140	--
<b>SURPLUS / (DEFICIT)</b>	<b>3,325</b>	<b>140</b>	<b>140</b>	<b>--</b>

\* Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEF). Consistent with the principles of electricity restructuring, OEF debt is to be recovered from ratepayers, not taxpayers.

## HIGHLIGHTS

### 2001-02 IN-YEAR PERFORMANCE

#### BALANCED BUDGET OUTLOOK

- ◆ The 2001-02 fiscal outlook is on track with the Budget Plan. As of December 31, 2001, a surplus of \$140 million is projected, unchanged from the 2001 Ontario Budget and Second Quarter Ontario Finances.

#### REVENUE AT \$63.9 BILLION

- ◆ The revenue outlook, at \$63,864 million, is down \$406 million from the Budget Plan and down \$248 million from Second Quarter Ontario Finances, mainly due to decreases in Retail Sales Tax and Employer Health Tax revenue.

#### EXPENDITURE AT \$63.4 BILLION

- ◆ Total expenditure, at \$63,414 million, is up \$144 million from the Budget Plan and up \$2 million from Second Quarter Ontario Finances, mainly due to increased funding for child welfare services and additional forest fire-fighting costs incurred during the summer and fall of 2001, partially offset by capital and Public Debt Interest (PDI) savings.

#### RESERVE AT \$0.5 BILLION

- ◆ Ontario's 2001-02 Budget Plan included a \$1 billion reserve designed to protect the balanced budget against unexpected and adverse changes in the economic and fiscal outlook. With economic growth slower than projected and consistent with the role of the reserve in prudent budgeting, an additional \$250 million of the reserve has been allocated in this quarter to ensure the balanced budget target is met. The \$450 million balance of the reserve will be available for debt reduction at year-end if not needed.

## FISCAL PERFORMANCE

### REVENUE

- ◆ The revenue outlook, at \$63,864 million, is down \$406 million from the Budget Plan and down \$248 million from Second Quarter Ontario Finances. Major changes this quarter are:
  - ◆ The Retail Sales Tax revenue forecast has been reduced by \$100 million as a result of lower-than-expected retail sales.
  - ◆ The Employer Health Tax forecast has been reduced by \$100 million due to lower-than-expected employment and wage growth.
  - ◆ Gasoline and Fuel Taxes are down \$50 million due to the impact of slower economic growth.
  - ◆ Federal transfers for Bilingualism Development are up \$2 million as a result of a one-time increase under the Special Agreement for School Governance.

### OPERATING EXPENDITURE

- ◆ Net operating expenditure, at \$61,533 million, is up \$207 million from the Budget Plan and up \$70 million from Second Quarter Ontario Finances. Major changes this quarter include:
  - ◆ Ministry of Agriculture, Food and Rural Affairs: Savings of \$5 million due to underspending in the Healthy Futures Program.
  - ◆ Ministry of the Attorney General: A reduction of \$2 million to reflect the transfer of funding to the Ministry of the Solicitor General to support police training activities related to domestic violence intervention orders.
  - ◆ Ministry of Community and Social Services: An additional \$48 million to provide the resources needed to support Children's Aid Societies in their work to protect children.
  - ◆ Ministry of Consumer and Business Services: An additional \$4 million for enhanced identity verification in the Birth Registration and Certificate Issuance System, partially offset by underspending of \$3 million due to extended implementation of electronic service delivery initiatives.
  - ◆ Ministry of Economic Development and Trade: A reduction of \$1 million to reflect the transfer of \$1 million to Ministry of Municipal Affairs and Housing capital expenditure to support the Walkerton Business Recovery Plan.
  - ◆ Ministry of Education: An additional \$2 million to enhance programs covered under the Special Agreement for School Governance, fully offset by federal funding.
  - ◆ Ministry of Energy, Science and Technology: An increase of \$3 million for consumer education related to electricity market opening, fully offset from the Contingency Fund.
  - ◆ Ministry of Municipal Affairs and Housing: An additional \$1 million for the World Youth Day National Office and an additional \$5 million in assistance to the residents and businesses in Brockton.
  - ◆ Ministry of Natural Resources: An additional \$25 million for forest fire-fighting costs incurred during the summer and fall of 2001.
  - ◆ Ministry of the Solicitor General: An additional \$2 million for police training related to domestic violence intervention orders, transferred from the Ministry of the Attorney General.
- ◆ The Public Debt Interest forecast of \$9,250 million consists of \$8,730 million related to the Province's borrowing on its own behalf and \$520 million related to the interest on debt issued for investment in the electricity sector. This forecast is down \$65 million from the Budget Plan and down \$6 million from Second Quarter Ontario Finances due to lower-than-expected interest rates and cost-effective debt management.



## CAPITAL EXPENDITURE

- ◆ Capital expenditure, at \$1,881 million, is down \$63 million from the Budget Plan and down \$68 million from Second Quarter Ontario Finances. The major changes this quarter are as follows:
- ◆ Ministry of the Attorney General: Underspending of \$6 million due to slower-than-expected construction of court projects.
- ◆ Ministry of Correctional Services: A decrease of \$17 million due to construction delays in the Adult Infrastructure Renewal Program and the Young Offenders System.
- ◆ Ministry of Energy, Science and Technology: Underspending of \$2 million due to later-than-expected establishment of Biotechnology Commercialization Centres and \$3 million due to delays in developing Connect Ontario proposals.
- ◆ Ministry of Municipal Affairs and Housing: An additional \$3 million for Brockton capital projects fully offset from the Capital Contingency Fund and an additional \$2 million for the Walkerton Business Recovery Plan partially offset by \$1 million transferred from Ministry of Economic Development and Trade operating expenditure.
- ◆ Ministry of Natural Resources: Savings of \$7 million mainly due to slower-than-planned upgrading of fire management facilities and enhancements to provincial park facilities.
- ◆ Ministry of Tourism, Culture and Recreation: Underspending of \$35 million in the Sports, Culture and Tourism Partnerships initiative.

## Statement of Financial Transactions (\$ Millions)

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Q3 2001-02
<b>Revenue</b>	52,518	55,786	62,931	64,682	63,864
<b>Expenditure</b>					
Programs	43,709	46,509	47,369	50,075	52,283
Restructuring and Other Charges	1,595	76	211	31	--
Total Program Expenditure	45,304	46,585	47,580	50,106	52,283
Capital	2,451	2,187	4,832	2,079	1,881
Public Debt Interest					
Provincial	8,729	9,016	8,977	8,896	8,730
Electricity Sector	--	--	520	520	520
Total Expenditure	56,484	57,788	61,909	61,601	63,414
Less: Reserve	--	--	--	--	450
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers*	--	--	(354)	244	140
<b>SURPLUS / (DEFICIT)</b>	<b>(3,966)</b>	<b>(2,002)</b>	<b>668</b>	<b>3,325</b>	<b>140</b>
<b>NET PROVINCIAL DEBT †</b>	<b>112,735</b>	<b>114,737</b>	<b>113,715</b>	<b>110,634</b>	<b>110,634</b>

\* Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

† Net Provincial Debt represents total Liabilities less Financial Assets.

## Selected Economic and Fiscal Statistics

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Q3 2001-02
Ontario Gross Domestic Product (GDP) at Market Prices (\$ Millions)	359,953	378,124	405,625	429,530	446,282
Ontario Population (000s) - July 1	11,249	11,387	11,523	11,685	11,874
Ontario Revenue as a per cent of GDP	14.6	14.8	15.5	15.1	14.3
Ontario Revenue Growth (%)	6.2	6.2	12.8	2.8	(1.3)
Ontario Total Expenditure as a per cent of GDP	15.7	15.3	15.3	14.3	14.2
Ontario Total Expenditure Growth (%)	0.2	2.3	7.1	(0.5)	2.9
Ontario PDI as a Share of Revenue (%)	16.6	16.2	15.1	14.6	14.5
Ontario PDI as a Share of Total Expenditure (%)	15.5	15.6	15.3	15.3	14.6
Ontario PDI as a per cent of GDP	2.4	2.4	2.3	2.2	2.1
Ontario Surplus / (Deficit) as a per cent of GDP	(1.1)	(0.5)	0.2	0.8	0.0
Net Provincial Debt per capita (\$)	10,022	10,076	9,869	9,468	9,317
Net Provincial Debt as a per cent of GDP	31.3	30.3	28.0	25.8	24.8

Sources: Ontario Ministry of Finance and Statistics Canada.

## ONTARIO GDP FELL IN THIRD QUARTER (JULY-SEPTEMBER)

- ◆ Ontario real GDP declined by 0.8 per cent in the third quarter of the 2001 calendar year (3.3 per cent at annual rates), following a 0.6 per cent rise in the second quarter.

## JOB GROWTH CONTINUES IN 2002

- ◆ In January 2002, Ontario gained 6,900 jobs, while the unemployment rate was 7.4 per cent.
- ◆ Ontario employment was up 90,600 for the year 2001.
- ◆ Ontario's unemployment rate was 6.3 per cent in 2001.

## CONSUMER SPENDING RISING

- ◆ In 2001, Ontario retail sales rose 2.9 per cent.

## HOUSING MARKET REMAINS STRONG

- ◆ In January 2002, housing starts soared 34 per cent to reach an annual level of 93,500 starts.
- ◆ In 2001, all area housing starts in Ontario rose 2.5 per cent from the previous year.
- ◆ In 2001, Ontario home resales rose 10.3 per cent.
- ◆ In January 2002, Toronto home resales jumped 56.9 per cent from a year ago.

## EXPORTS DECLINE WITH SLOWER U.S. ECONOMY

- ◆ In 2001, Ontario merchandise exports fell 4.1 per cent, largely as the result of reduced auto exports to the United States.
- ◆ Ontario manufacturing shipments fell 6.3 per cent in 2001, following a 6.2 per cent rise for the year 2000.

## RISING ENERGY AND FOOD PRICES PUSH UP 2001 INFLATION RATE

- ◆ January Consumer Price Index (CPI) inflation was 1.2 per cent.
- ◆ In 2001, the Ontario CPI inflation rate was 3.1 per cent, up from 2.9 per cent in 2000.
- ◆ Higher energy prices pushed up consumer price inflation in 2000 and 2001. Declining oil and gas prices are now translating into lower rates of inflation.



## KEY ECONOMIC INDICATORS

(% Change from previous period, unless indicated otherwise)

		Annual	Annual	Quarterly				
		2000	2001	00:3	00:4	01:1	01:2	01:3
<b>Output (Seasonally Adjusted at Annual Rates)</b>								
Real GDP	Ontario	5.3	N/A	5.1	3.5	(1.0)	2.3	(3.3)
Nominal GDP	Ontario	5.9	N/A	5.0	(0.8)	3.3	3.6	(3.2)
		Annual	Annual	Monthly 2001-2002				
		2000	2001	Sept	Oct	Nov	Dec	Jan
<b>Other Indicators (Seasonally Adjusted)</b>								
<b>Labour Markets</b>								
Labour Force (Change in 000s)	Ontario	157	137	(11.1)	1.6	26.4	10.9	37.6
Employment (Change in 000s)	Ontario	184	91	(11.1)	0.9	12.7	1.7	6.9
Unemployment Rate (%)	Ontario	5.7	6.3	6.6	6.6	6.8	6.9	7.4
<b>Household Sector</b>								
Retail Sales	Ontario	7.3	2.9	(2.4)	2.4	1.7	1.7	N/A
Urban Housing Starts (000s)	Ontario	67.4	70.3	64.7	68.9	70.0	69.8	93.5
New Home Sales*	Toronto	10.4	2.1	(27.2)	0.7	39.9	87.7	N/A
MLS Home Resales*	Ontario	(1.0)	10.3	2.0	11.9	18.5	46.2	N/A
<b>Manufacturing Shipments</b>								
Transportation Equipment	Ontario	6.2	(6.3)	(1.6)	(2.4)	2.2	(2.3)	N/A
<b>Consumer Price Index*</b>								
	Ontario	2.9	3.1	3.1	2.6	1.2	1.1	1.2

Sources: Statistics Canada, Ontario Ministry of Finance, Canada Mortgage and Housing Corporation, Greater Toronto Home Builders' Association, and Canadian Real Estate Association.

\* % change from a year earlier

N/A = Data not available

# ONTARIO FINANCES FINANCIAL TABLES

2019-2020		2018-2019		2017-2018		2016-2017		2015-2016		2014-2015		2013-2014		2012-2013		2011-2012		2010-2011		2009-2010		2008-2009		2007-2008		2006-2007		2005-2006		2004-2005		2003-2004		2002-2003		2001-2002		2000-2001		1999-2000		1998-1999		1997-1998		1996-1997		1995-1996		1994-1995		1993-1994		1992-1993		1991-1992		1990-1991		1989-1990		1988-1989		1987-1988		1986-1987		1985-1986		1984-1985		1983-1984		1982-1983		1981-1982		1980-1981		1979-1980		1978-1979		1977-1978		1976-1977		1975-1976		1974-1975		1973-1974		1972-1973		1971-1972		1970-1971		1969-1970		1968-1969		1967-1968		1966-1967		1965-1966		1964-1965		1963-1964		1962-1963		1961-1962		1960-1961		1959-1960		1958-1959		1957-1958		1956-1957		1955-1956		1954-1955		1953-1954		1952-1953		1951-1952		1950-1951		1949-1950		1948-1949		1947-1948		1946-1947		1945-1946		1944-1945		1943-1944		1942-1943		1941-1942		1940-1941		1939-1940		1938-1939		1937-1938		1936-1937		1935-1936		1934-1935		1933-1934		1932-1933		1931-1932		1930-1931		1929-1930		1928-1929		1927-1928		1926-1927		1925-1926		1924-1925		1923-1924		1922-1923		1921-1922		1920-1921		1919-1920		1918-1919		1917-1918		1916-1917		1915-1916		1914-1915		1913-1914		1912-1913		1911-1912		1910-1911		1909-1910		1908-1909		1907-1908		1906-1907		1905-1906		1904-1905		1903-1904		1902-1903		1901-1902		1900-1901		1899-1900		1898-1899		1897-1898		1896-1897		1895-1896		1894-1895		1893-1894		1892-1893		1891-1892		1890-1891		1889-1890		1888-1889		1887-1888		1886-1887		1885-1886		1884-1885		1883-1884		1882-1883		1881-1882		1880-1881		1879-1880		1878-1879		1877-1878		1876-1877		1875-1876		1874-1875		1873-1874		1872-1873		1871-1872		1870-1871		1869-1870		1868-1869		1867-1868		1866-1867		1865-1866		1864-1865		1863-1864		1862-1863		1861-1862		1860-1861		1859-1860		1858-1859		1857-1858		1856-1857		1855-1856		1854-1855		1853-1854		1852-1853		1851-1852		1850-1851		1849-1850		1848-1849		1847-1848		1846-1847		1845-1846		1844-1845		1843-1844		1842-1843		1841-1842		1840-1841		1839-1840		1838-1839		1837-1838		1836-1837		1835-1836		1834-1835		1833-1834		1832-1833		1831-1832		1830-1831		1829-1830		1828-1829		1827-1828		1826-1827		1825-1826		1824-1825		1823-1824		1822-1823		1821-1822		1820-1821		1819-1820		1818-1819		1817-1818		1816-1817		1815-1816		1814-1815		1813-1814		1812-1813		1811-1812		1810-1811		1809-1810		1808-1809		1807-1808		1806-1807		1805-1806		1804-1805		1803-1804		1802-1803		1801-1802		1800-1801		1799-1800		1798-1799		1797-1798		1796-1797		1795-1796		1794-1795		1793-1794		1792-1793		1791-1792		1790-1791		1789-1790		1788-1789		1787-1788		1786-1787		1785-1786		1784-1785		1783-1784		1782-1783		1781-1782		1780-1781		1779-1780		1778-1779		1777-1778		1776-1777		1775-1776		1774-1775		1773-1774		1772-1773		1771-1772		1770-1771		1769-1770		1768-1769		1767-1768		1766-1767		1765-1766		1764-1765		1763-1764		1762-1763		1761-1762		1760-1761		1759-1760		1758-1759		1757-1758		1756-1757		1755-1756		1754-1755		1753-1754		1752-1753		1751-1752		1750-1751		1749-1750		1748-1749		1747-1748		1746-1747		1745-1746		1744-1745		1743-1744		1742-1743		1741-1742		1740-1741		1739-1740		1738-1739		1737-1738		1736-1737		1735-1736		1734-1735		1733-1734		1732-1733		1731-1732		1730-1731		1729-1730		1728-1729		1727-1728		1726-1727		1725-1726		1724-1725		1723-1724		1722-1723		1721-1722		1720-1721		1719-1720		1718-1719		1717-1718		1716-1717		1715-1716		1714-1715		1713-1714		1712-1713		1711-1712		1710-1711		1709-1710		1708-1709		1707-1708		1706-1707		1705-1706		1704-1705		1703-1704		1702-1703		1701-1702		1700-1701		1699-1700		1698-1699		1697-1698		1696-1697		1695-1696		1694-1695		1693-1694		1692-1693		1691-1692		1690-1691		1689-1690		1688-1689		1687-1688		1686-1687		1685-1686		1684-1685		1683-1684		1682-1683		1681-1682		1680-1681		1679-1680		1678-1679		1677-1678		1676-1677		1675-1676		1674-1675		1673-1674		1672-1673		1671-1672		1670-1671		1669-1670		1668-1669		1667-1668		1666-1667		1665-1666		1664-1665		1663-1664		1662-1663		1661-1662		1660-1661		1659-1660		1658-1659		1657-1658		1656-1657		1655-1656		1654-1655		1653-1654		1652-1653		1651-1652		1650-1651		1649-1650		1648-1649		1647-1648		1646-1647		1645-1646		1644-1645		1643-1644		1642-1643		1641-1642		1640-1641		1639-1640		1638-1639	
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2019-2020		2018-2019		2017-2018		2016-2017		2015-2016		2014-2015		2013-2014		2012-2013		2011-2012		2010-2011		2009-2010		2008-2009		2007-2008		2006-2007		2005-2006		2004-2005		2003-2004		2002-2003		2001-2002		2000-2001		1999-2000		1998-1999		1997-1998		1996-1997		1995-1996		1994-1995		1993-1994		1992-1993		1991-1992		1990-1991		1989-1990		1988-1989		1987-1988		1986-1987		1985-1986		1984-1985		1983-1984		1982-1983		1981-1982		1980-1981		1979-1980		1978-1979		1977-1978		1976-1977		1975-1976		1974-1975		1973-1974		1972-1973		1971-1972		1970-1971		1969-1970		1968-1969		1967-1968		1966-1967		1965-1966		1964-1965		1963-1964		1962-1963		1961-1962		1960-1961		1959-1960		1958-1959		1957-1958		1956-1957		1955-1956		1954-1955		1953-1954		1952-1953		1951-1952		1950-1951		1949-1950		1948-1949		1947-1948		1946-1947		1945-1946		1944-1945		1943-1944		1942-1943		1941-1942		1940-1941		1939-1940		1938-1939		1937-1938		1936-1937		1935-1936		1934-1935		1933-1934		1932-1933		1931-1932		1930-1931		1929-1930		1928-1929		1927-1928		1926-1927		1925-1926		1924-1925		1923-1924		1922-1923		1921-1922		1920-1921		1919-1920		1918-1919		1917-1918		1916-1917		1915-1916		1914-1915		1913-1914		1912-1913		1911-1912		1910-1911		1909-1910		1908-1909		1907-1908		1906-1907		1905-1906		1904-1905		1903-1904		1902-1903		1901-1902		1900-1901		1899-1900		1898-1899		1897-1898		1896-1897		1895-1896		1894-1895		1893-1894		1892-1893		1891-1892		1890-1891		1889-1890		1888-1889		1887-1888		1886-1887		1885-1886		1884-1885		1883-1884		1882-1883		1881-1882		1880-1881		1879-1880		1878-1879		1877-1878		1876-1877		1875-1876		1874-1875		1873-1874		1872-1873		1871-1872		1870-1871		1869-1870		1868-1869		1867-1868		1866-1867		1865-1866		1864-1865		1863-1864		1862-1863		1861-1862		1860-1861		1859-1860		1858-1859		1857-1858		1856-1857		1855-1856		1854-1855		1853-1854		1852-1853		1851-1852		1850-1851		1849-1850		1848-1849		1847-1848		1846-1847		1845-1846		1844-1845		1843-1844		1842-1843		1841-1842		1840-1841		1839-1840		1838-1839		1837-1838		1836-1837		1835-1836		1834-1835		1833-1834		1832-1833		1831-1832		1830-1831		1829-1830		1828-1829		1827-1828		1826-1827		1825-1826		1824-1825		1823-1824		1822-1823		1821-1822		1820-1821		1819-1820		1818-1819		1817-1818		1816-1817		1815-1816		1814-1815		1813-1814		1812-1813		1811-1812		1810-1811		1809-1810		1808-1809		1807-1808		1806-1807		1805-1806		1804-1805		1803-1804		1802-1803		1801-1802		1800-1801		1799-1800		1798-1799		1797-1798		1796-1797		1795-1796		1794-1795		1793-1794		1792-1793		1791-1792		1790-1791		1789-1790		1788-1789		1787-1788		1786-1787		1785-1786		1784-1785		1783-1784		1782-1783		1781-1782		1780-1781		1779-1780		1778-1779		1777-1778		1776-1777		1775-1776		1774-1775		1773-1774		1772-1773		1771-1772		1770-1771		1769-1770		1768-1769		1767-1768		1766-1767		1765-1766		1764-1765		1763-1764		1762-1763		1761-1762		1760-1761		1759-1760		1758-1759		1757-1758		1756-1757		1755-1756		1754-1755		1753-1754		1752-1753		1751-1752		1750-1751		1749-1750		1748-1749		1747-1748		1746-1747		1745-1746		1744-1745		1743-1744		1742-1743		1741-1742		1740-1741		1739-1740		1738-1739		1737-1738		1736-1737		1735-1736		1734-1735		1733-1734		1732-1733		1731-1732		1730-1731		1729-1730		1728-1729		1727-1728		1726-1727		1725-1726		1724-1725		1723-1724		1722-1723		1721-1722		1720-1721		1719-1720		1718-1719		1717-1718		1716-1717		1715-1716		1714-1715		1713-1714		1712-1713		1711-1712		1710-1711		1709-1710		1708-1709		1707-1708		1706-1707		1705-1706		1704-1705		1703-1704		1702-1703		1701-1702		1700-1701		1699-1700		1698-1699		1697-1698		1696-1697		1695-1696		1694-1695		1693-1694		1692-1693		1691-1692		1690-1691		1689-1690		1688-1689		1687-1688		1686-1687		1685-1686		1684-1685		1683-1684		1682-1683		1681-1682		1680-1681		1679-1680		1678-1679		1677-1678		1676-1677		1675-1676		1674-167	
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# REVENUE

(\$ Millions)	2001-02			
	Actual 2000-01	Budget Plan	Current Outlook	In-Year Change
TAXATION REVENUE				
Personal Income Tax	18,624	18,010	18,260	250
Retail Sales Tax	13,735	14,340	14,190	(150)
Corporations Tax	9,200	8,340	7,940	(400)
Employer Health Tax	3,424	3,620	3,520	(100)
Gasoline Tax	2,172	2,300	2,260	(40)
Fuel Tax	648	655	645	(10)
Tobacco Tax	504	620	660	40
Land Transfer Tax	642	670	670	--
Other Taxation	333	265	265	--
	49,282	48,820	48,410	(410)
GOVERNMENT OF CANADA				
Canada Health and Social Transfer (CHST)	4,138	5,630	5,630	--
CHST Supplements	757	380	380	--
Social Housing	541	530	530	--
Student Assistance	40	64	64	--
Indian Welfare Services	131	117	117	--
Medical Equipment Trust	190	190	190	--
Bilingualism Development	64	64	66	2
Employability Assistance for People with Disabilities	63	39	39	--
Other	205	345	345	--
	6,129	7,359	7,361	2
INCOME FROM GOVERNMENT ENTERPRISES				
Ontario Lottery and Gaming Corporation	2,181	2,000	2,000	--
Liquor Control Board of Ontario	877	890	890	--
Ontario Power Generation Inc. and Hydro One Inc.	928	524	524	--
Other	14	10	10	--
	4,000	3,424	3,424	--
OTHER REVENUE				
Vehicle and Driver Registration Fees	929	925	925	--
Other Fees and Licences	660	685	685	--
Liquor Licence Revenue	525	518	518	--
Royalties	235	240	240	--
Sales and Rentals	637	300	300	--
Independent Electricity Market Operation Revenues	344	159	159	--
Local Services Realignment - Reimbursement of Expenditure	1,432	1,223	1,223	--
Miscellaneous	509	617	619	2
	5,271	4,667	4,669	2
TOTAL REVENUE	64,682	64,270	63,864	(406)



# OPERATING EXPENDITURE

(\$ Millions)		2001-02		
MINISTRY	Actual 2000-01	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	401	446	441	(5)
One-Time and Extraordinary	233	--	--	--
Attorney General	957	979	977	(2)
Board of Internal Economy	116	117	117	--
Citizenship	77	78	78	--
Community and Social Services	7,620	7,756	7,804	48
Consumer and Business Services	155	168	169	1
Correctional Services	593	610	610	--
Economic Development and Trade	81	106	106	--
Education	7,961	8,471	8,473	2
Teachers' Pension Plan (TPP)	(779)	(230)	(230)	--
Energy, Science and Technology	464	284	289	5
Environment	190	215	218	3
Executive Offices	21	21	21	--
Finance - Own Account	842	773	810	37
Public Debt Interest				
Provincial	8,896	8,795	8,730	(65)
Electricity Sector	520	520	520	--
Community Reinvestment Fund	561	561	561	--
Provision for Electricity Sector	408	4	4	--
Health and Long-Term Care	21,686	23,486	23,712	226
Accelerated Health Care Commitment	498	--	--	--
Major One-Time Health Care Costs	487	190	190	--
Intergovernmental Affairs	4	5	5	--
Labour	104	113	113	--
Management Board Secretariat	214	346	346	--
Retirement Benefits	(209)	30	30	--
Contingency Fund	--	654	548	(106)
Municipal Affairs and Housing	1,792	1,214	1,220	6
Native Affairs Secretariat	16	15	15	--
Natural Resources	417	407	440	33
Northern Development and Mines	113	179	179	--
Office of Francophone Affairs	4	5	5	--
Solicitor General	907	932	946	14
Tourism, Culture and Recreation	360	392	402	10
Training, Colleges and Universities	3,219	3,365	3,365	--
Transportation	593	519	519	--
Year-End Savings	--	(200)	(200)	--
<b>TOTAL OPERATING EXPENDITURE</b>	<b>59,522</b>	<b>61,326</b>	<b>61,533</b>	<b>207</b>

# CAPITAL EXPENDITURE

(\$ Millions)		2001-02		
MINISTRY	Actual 2000-01	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	1	51	51	--
Attorney General	42	55	61	6
Community and Social Services	14	38	38	--
Correctional Services	95	98	81	(17)
Education	4	16	20	4
Energy, Science and Technology	86	76	71	(5)
Environment	5	13	21	8
Water Protection Fund	17	5	5	--
Finance	7	13	13	--
SuperBuild Millennium Partnerships	4	100	100	--
Contingency Fund	--	100	76	(24)
Health and Long-Term Care	182	200	200	--
Major One-Time Capital Costs	140	--	--	--
Management Board Secretariat	24	37	37	--
Municipal Affairs and Housing	--	8	13	5
Native Affairs Secretariat	5	7	7	--
Natural Resources	65	99	92	(7)
Northern Development and Mines	312	327	327	--
Solicitor General	4	9	10	1
Tourism, Culture and Recreation	32	68	33	(35)
Training, Colleges and Universities	204	51	52	1
Transportation	836	673	673	--
Year-End Savings	--	(100)	(100)	--
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,079</b>	<b>1,944</b>	<b>1,881</b>	<b>(63)</b>



# ONTARIO'S 2001-02 FINANCING PROGRAM

(\$ Millions)	Actual 2000-01	2001-02		
		Budget Plan	Current Outlook	Change from Budget
Surplus / (Deficit)	3,325	140	140	--
Accruals and Consolidations	(4,496)	(2,258)	(3,075)	(817)
Maturities*	(8,145)	(9,557)	(9,467)	90
Provision for Early Redemptions	(1,036)	(1,020)	(1,523)	(503)
Other Sources / (Uses)	(330)	--	--	--
Net Repayments from / (Loans to) Agencies	766	(42)	(42)	--
Decrease / (Increase) in Liquid Reserves	962	2,551	2,551	--
Increase / (Decrease) in Short-Term Borrowing	(113)	--	--	--
Canada Pension Plan Borrowing	611	1,130	157	(973)
Long-Term Public Borrowing	8,456	9,056	11,259	2,203
of which: Completed			9,051	
Remaining			2,208	

\* Maturing debt is lower than the Budget Plan due to the Province exercising its options on extendible bonds.

◆ Proceeds from long-term public borrowing undertaken in the third quarter were \$1,682 million as follows:

	(\$ Millions)
Domestic Issues	594
Global US Issues	793
Euro Canadian Dollar Issues	295
	<b>1,682</b>

◆ In addition to the borrowing and redemptions shown in the table, the Province has bought back \$361 million of previously issued debt, financing the purchases with similar amounts of debt issued at more favourable rates.

◆ The forecast Net Provincial Debt as of March 31, 2002, is \$110.6 billion, down \$0.1 billion from the 2001 Budget Plan as a result of the downward revision to Net Provincial Debt reported in the 2000-01 Public Accounts.

